AD-A264 534



The views expressed in this paper are those of the author and do not necessarily reflect the views of the Department of Defense or any of its agencies. This document may not be released for open publication until it has been cleaned by the appropriate military service or government agency.

S DTIC ELECTE MAY 2 0 1993 STUDY PROJECT

GERMANY'S UNIFICATION AND ITS IMPLICATIONS ON U.S. SECURITY STRATEGY

BY

LIEUTENANT COLONEL STEPHAN D. KRETSCHMER German Army

## **DISTRIBUTION STATEMENT A:**

Approved for public release.

Distribution is unlimited.

**USAWC CLASS OF 1993** 

U.S. ARMY WAR COLLEGE, CARLISLE BARRACKS, PA 17013-5050

93-11196

93 5 19 044

REPORT DOCUMENTATION PAGE					Form Approved OMB No. 0704-0188
1a. REPORT SECURITY CLASSIFICATION		16. RESTRICTIVE MARKINGS			
UNCLASSIFIED  2a. SECURITY CLASSIFICATION AUTHORITY		NONE 3. DISTRIBUTION/AVAILABILITY OF REPORT			
		Approved for public release			
2b. DECLASSIFICATION / DOWNGRADING SCHEDULE		A Distribution is unlimited			
4. PERFORMING ORGANIZATION REPORT NUMBER(S)		5. MONITORING ORGANIZATION REPORT NUMBER(S)			
6a. NAME OF PERFORMING ORGANIZATION	6b. OFFICE SYMBOL (If applicable)	7a. NAME OF MONITORING ORGANIZATION			
6c. ADDRESS (City, State, and ZIP Code)		7b. ADDRESS (City, State, and ZIP Code)			
	8b. OFFICE SYMBOL				
8a. NAME OF FUNDING/SPONSORING ORGANIZATION	9. PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER				
8c. ADDRESS (City, State, and ZIP Code)		10. SOURCE OF FUNDING NUMBERS			
·		PROGRAM ELEMENT NO.	PROJECT NO.	TASK NO.	WORK UNIT ACCESSION NO.
11. TITLE (Include Security Classification)		<u> </u>	1		
(U) Germany's Unification and i	ts Implications	on U.S. Secu	urity and S	Strategy	
12. PERSONAL AUTHOR(S)					
LTC Stephen D. Kretschmer, SC.	German Army				
13a. TYPE OF REPORT 13b. TIME CO	OVERED TO	14. DATE OF REPO	RT (Year, Mont	h, Day) 15.	PAGE COUNT
16. SUPPLEMENTARY NOTATION					
17. COSATI CODES 18. SUBJECT TERMS (Continue on reverse if necessary and identify by block number)					
FIELD GROUP SUB-GROUP					
	1				
19. ABSTRACT (Continue on reverse if necessary					
Germany's unification was a mag wide. It had been goal of U.S. tion. Unification brought Germa both in Europe and with the U.S. The Alliance is struggling with troop reductions. NATO has also	. policy for decamp full soverei . NATO lost the the search for to adapt to an	ades and was gnty and cha comment int a new strate increased E	supported inged insti erest of d gy and mis uropean in	by the tutions eterring sion and tegration	Bush Administra— and relations communism. with ongoing n effort which
led to the revitalization of the WEU and the creation of the EUROCORPS. The European nations are trying to compensate for increased German influence by speeding up the integration process					
in the EC. Germany is often trapped in a position between the United States and European					
nations, especially France. A major effort of both the U.S. and Germany will be necessary					
to adapt their relations to new	realities and t	o find new c	ommon grou	nd.	-
20. DISTRIBUTION/AVAILABILITY OF ABSTRACT		21. ABSTRACT SEC	TIRITY OF ASSIST	CATION	
Ø UNCLASSIFIED/UNLIMITED ☐ SAME AS R	PT.   DTIC USERS	1	SSIFIED	C-7,1014	
22a. NAME OF RESPONSIBLE INDIVIDUAL		226 TELEPHONE (I		le) 22c. OFF	ICE SYMBOL
Dr. Thomas-Durell Young (717) 245,4058 AWCT					
DD Form 1473, JUN 86	Previous editions are o	obsalete.	SECURITY	CLASSIFICAT	TION OF THIS PAGE

#### USAWC MILITARY STUDIES PROGRAM PAPER

The views expressed in this paper are those of the author and do not necessarily reflect the views of the Department of Defense or any of its agencies. This document may not be released for open publication until it has been cleared by the appropriate military service or government agency.

# GERMANY'S UNIFICATION AND ITS IMPLICATIONS ON U.S. SECURITY STRATEGY

by

Lieutenant Colonel Stephan D. Kretschmer German Army

Dr. Thomas D. Young Project Adviser

DISTRIBUTION STATEMENT A: Approved for public release; distribution is unlimited.

Accorded 11

NTIS CARTES N

ETHO S IN THE TOTAL STREET STR

U.S. Army War College Carlisle Barracks, Pennsylvania 17013

#### **ABSTRACT**

AUTHOR: Stephan D. Kretschmer

TITLE: Germany's Unification and its Implications on U.S.

Security Strategy

FORMAT: Individual Study Project

DATE: 19 May 1993 PAGES: 31 CLASSIFICATION: Unclassified

Germany's unification was a major event that changed the political scene in Europe and worldwide. It had been a goal of U.S. policy for decades and was supported by the Bush administration. Unification brought Germany full sovereignty changed and institutions and relations both in Europe and with the United States. NATO lost the common interest of deterring communism. The Alliance is struggling with the search for a new strategy and mission and with ongoing troop reductions. NATO has also to adapt increased European integration which led to revitalization of the WEU and the creation of the Eurocorps. European nations now try to compensate for increased German influence by speeding up the integration process also in the EC which caused the partial failure of the Maastricht treaty. Germany is often trapped in a position between the United States and European nations, especially France. A major effort of both the United Sates and Germany will be necessary to adapt their relations to new realities and to find new common ground.

"For the third time this century, the old order in Europe is crumbling", this is surely a correct description when looking at the dramatic changes that reshaped European order since the end of the eighties. Bancruptcy of communism and the subsequent events of the breakup of the Warsaw Pact and the Soviet Union led ultimately to a "geopolitical event of the first magnitude:"

German unification<sup>2</sup>. After 45 years of confrontation, "the core conflict of the Cold War in Europe, the German Question" was solved. This was a success for both Western policy since World War II and former Soviet President Gorbachev's attempt to free the Soviet Union from some of its cold war burdens.

However, this success was not rewarded for the individual governments involved. The key document of German Unification, the 2+4 Treaty was signed on September 12, 1990<sup>4</sup> by France, both Germanies, the Soviet Union, the United Kingdom and the United States. The Soviet Union and the Democratic Republic of Germany have now been wiped out by history. The Prime Minister of Great Britain, Margaret Thatcher resigned in November of 1990. George Bush was not reelected in 1992. President Mitterrand has had to change prime ministers twice<sup>5</sup> since 1990 and faces elections with troublesome perspectives for the Socialist Party. In Germany, Chancellor Kohl struggles with the follow on problems of unification and faces dwindling support in parliament and public.

A major success like the German unification is not the end of a development. You cannot rest, lay back and enjoy the accomplishments. It is a phaseline in history where old paradigms must be checked, and strong vision and leadership into the future must be provided. The full understanding of the implications of such an event is key for a vision and the basis for a strategy. It was probably a lack of analysis of longtime implications of this development which led to some of the problems for the governments involved. The ongoing discussions about the role of the united Germany in the world community demonstrate that this analysis is still not complete today, more than two years after the event.

For the United States West Germany was a key ally during the Cold War in Europe. Now that the Cold War is gone, which elements of the relationship went with it? Do both countries need a common threat to have a special relationship? What will future bilateral relations look like? The following analysis concentrates on the implications of the German unification on U.S. security strategy. Main emphasis is put on military and alliance subjects. The analysis ends with some basic recommendations for U.S. security strategy.

German unification had always been stated policy of cold war U.S. diplomacy. This policy corresponded to the support of human rights and self determination. In so doing, it kept pressure on the Soviet Union and its most valuable ally, the German Democratic Republic. Finally and probably most important it made sure that the Federal Republic of Germany pursued unity in concert with its allies and not on separate ways. The how and when, however of unification was totally unclear. It was a distant goal, lying so far away in the never-never land that no

one ever bothered to think about details of its practical realization. The important 1967 Harmel Report, which determined NATO strategy towards the Warsaw Pact for more than 25 years, states in general terms:

But no final and stable settlement in Europe is possible without a solution of the German Question which lies at the heart of present tensions in Europe. Any such settlement must end the unnatural barriers between Eastern and Western Europe, which are most clearly and cruelly manifested in the division of Germany.

The breakdown of the Berlin wall in 1989 made it obvious that it was high time to get specific. President Bush continued "four decades of support for German Unification" by formulating four guiding principles for its realization. They were Germany's self determination, its continued commitment to NATO, a gradual and peaceful unification process and a solution of border questions within the context of the Helsinki Final Act procedures.<sup>8</sup>

Along these four principles the United States gave massive and consistent support for the unification process. In close cooperation with the Kohl-led coalition, the resistance of the other Allied Powers was overcome.

The four points did not, in themselves, contain new elements of U.S. strategy. Obviously the general idea was that a major shift was not necessary and that the existing security

structures could assimilate Germany's unification. Besides that, Washington wanted to maintain its traditional postwar status in Europe, and thus had no incentive to initiate radical reforms in arrangements that preserve its political weight. The For the United States, the idea of a strong united Germany was much less threatening than for France or Great Britain. Both European powers would loose their wartime status without being able to balance that with being a superpower like the United States. George Bush could go a step further, even increasing Germany's newly acquired power in promoting its new role as a partner in leadership ". This had no practical consequences in daily politics, or in reshaping institutions, and was thus regarded as mainly words. The question of whether this new role is really feasible for Germany will be examined later.

Examining U.S. security policy during the dramatic events reveals three mayor facts:

- \* First, the United States welcomed unification and the increased importance of Germany.
- \* Second, major emphasis was on how to achieve unification and not on an analysis of its implications.
- \* Third, the existing security structures in Europe should not be changed by Germany's unification.

German Unification caused revolutionary changes in the strategic and political map of Europe<sup>13</sup>. The united Germany continues to be a member of NATO. This means that the territory of the former East German Republic now belongs to NATO.

Improvements for the western alliance are obvious. The NATO boundary moved eastward to the Oder-Neisse line. Germany's eastern border is much shorter now and favors a defense close to the border. NATO territory has gained depth in east-west direction. This eliminates one of the biggest problems for military planners, which in the past resulted in a lack of warning time and a lack of depth to employ strategic reserves.

The political map has also changed in favor of the West. Germany no longer borders an antagonistic power. A layer of democratic countries lies between its boundaries and Russia, the strongest military power of Europe. Most important for the improvement of western strategic situation is the dissolution of the Warsaw Pact and the ongoing and heretofore peaceful withdrawal of the Russian / former Red Army from all territory occupied after the Second orld War. Gorbatchev's decision to allow continued German NATO membership after unification and to permit the withdrawal of the Democratic Republic of Germany from the Warsaw Pact was a serious blow to the longterm opponent of NATO. Membership was no longer a must, the threat of the Red Army to keep the club together was gone. Nine months after German unification the Warsaw Pact ceased to exist. A centralized, offensive military doctrine that had threatened the West for over forty years disappeared with it.

East Germany had played a key role in the Warsaw Pact, both as ally and as springboard for an offensive toward the Atlantic.

The Soviet Union had stationed there up to 350.000 of its most

modern equipped and best trained forces. The scheduled withdrawal of the Red Army from East Germany in September 1994 will end the biggest military threat for NATO's Central Region. Together with the ongoing withdrawal from Poland, Hungary, the Czech and Slowak Republic and the Baltic Republics this means that NATO no longer faces an impending military threat from the east. The magnitude of change is illustrated by a massive increase of the warning time, on which Germany bases its military planning. From 1989 to 1992 it increased from 48 hours to one year.

For the United States the impacts of these political, strategic and military changes are threefold. First, less forward deployed military capabilities are required for the protection of Europe. Defense planning scenarios have changed from threat-based to risk-based. The biggest risks currently lie in the peaceful transition of the former Soviet Union toward democracy and free market economy and solutions to the struggles such as presently taking place in the former Yugoslavia. However serious these events may become, the conventional military threat to Europe is considerable lower than during the existence of the Warsaw Pact. Second, political influence through military capabilities can be achieved on a much lower level of forces than in the past. U.S. military capabilities in Europe, both conventional and nuclear, have always been directly related to the level of U.S. influence in the region. All NATO nations in Europe are now in a process of downsizing their standing military forces. As long as the U.S. withdrawal from Europe stays in the framework of these

reductions, the transatlantic balance should not be changed funamentally<sup>14</sup>. Third, the risk of involvement in a mayor military conflict is greatly reduced. The inner German Border was the line of confrontation between the superpowers in Europe. Any conflict that might have evolved here could have threatened the existence of the United States. This threat is gone and no border in Europe currently contains a potential conflict of the same magnitude.

To put it very simple, the U.S. commitment in Europe is now cheaper and less risky, but it is not free. The decision on what longterm level of military commitment the United States wants to base its policy remains unanswered, but is of central importance for its influence. First and most of all, NATO will be effected by this decision. Both Germany and the United States want to keep the Alliance strong and viable. The 1993 National Security Strategy of the United States<sup>15</sup> states under chapter, "how we can influence the future": "In Europe, the North Atlantic Alliance remains central to our security,.. We should work to strengthen the NATO Alliance ..." In the previous edition<sup>16</sup> it reads, "Basic to the new structure of peace we seek to build throughout Europe is the continued vitality of the North Atlantic Alliance— the indispensable foundation of transatlantic cooperation."

In Germany you hardly can find any official address on security matters without a strong commitment to NATO. At the last Commanders Conference of the Bundeswehr Chancellor Koh! said: Our

foreign and security policy rests in a continuity which has been proven effective in the past and which will be effective in the future. We can base this policy on strong structures and institutions, which are mainly the Atlantic Alliance and the EC. The anchor for European security is and will be NATO. We do not want and we cannot dispense with the Alliance as a guarantee for peace and freedom in Europe<sup>17</sup>.

Both nations have good reasons to maintain and strengthen NATO. For Germany, it is a protective shield for the completion of its unification, which could be endangered in several ways. The disappearance of the old order in the East still carries a significant amount of risk. Transition in the former Soviet Union is by no ways completed. Since the breakup, the economy has become much weaker and the standard of living is deteriorating significantly. In some of the new republics disappointed voters have turned to former communist leaders who are enjoing a comeback with old ideas under new labels. Boris Jelzin is entangled in a constant struggle against former communists who dominate Parliament in Russia and has had to replace his reform oriented Prime Minister. Influential and powerful groups, like the military and the former Nomenklatura, are fighting to prevent the loss of privileges and status. With the loss of tight and centralized control, numerous ethnic conflicts have emerged in the Balkans and border disputes between CIS-republics prevent progress in needed cooperation. Some of the potential ethnic based conflicts carry a real danger of spreading and undermine the security in Europe.

Besides military protection, which includes the nuclear umbrella, NATO provides appeasement for Germany's neighbors over unification. It is obvious that as long as Germany is firmly bound into NATO, it will be balanced within the Alliance and by the presence of the United States<sup>18</sup>.

For the United States, NATO is their pied de terre in Europe: the easiest and most effective way to exercise political influence in the region<sup>19</sup>. In none of the other institutions in Europe can Washington enjoy similar status as it does in the Alliance. If the current institutional framework changes, the United States would most certainly lose. A loss of influence within NATO, or a weaker Alliance, translates directly into a loss of U.S. influence in Europe<sup>20</sup>. Besides that, NATO supports the U.S. role as world power in the region and beyond. It provides a framework of a forward base, partly funded by NATO infrastructure funding, which serves also for purposes outside NATO region, as was the case during the Gulf War<sup>21</sup>.

The common interest as was the case of the United States and Germany in NATO has become significantly smaller. There is the successful past and a lack of alternatives. There are common values and gratitude for U.S. support of Germany's unification. Those are all valuable points, but the United States and Germany no longer share a continuing overriding rationale for keeping the alliance. The breakup of the Warsaw Pact tore a huge gap in the common security interests of both partners.

Unfortunately, daily politics continue as if this broad basis would still provide a firm glue for the Alliance. The cooperation towards the goal of unification is clearly a strongpoint in German-U.S. relations. Their policy towards NATO since German unity is definitely not.

Bonn watches with a wary eye the U.S. withdrawal from Europe<sup>22</sup>. About 50% of the previous cold war level of U.S. forces have already left Germany. Total, announced reductions, number more than 70% of former U.S. presence. The shift from the Bush to the Clinton administration has brought another reduction in the end-strength of U.S. forces in Europe by one third, to now 100.00023. In a desperate effort to bring these rapid reductions to a halt, German officials have called frequently for a substantial and meaningful U.S. presence in Europe and especially in Germany. The unexpected and surprising decision of Canada to withdraw its forces had caused a shock despite the relatively minor numbers concerned. The United States, on the other hand, watches Germany with a wary eye turning towards France, an ally which they think "is out to destroy NATO25." The development of the Eurocorps is a striking example of misunderstanding, lack of coordination and suspicion between Germany and the United States.

Taken all this into account, things do not appear to be fortuitous. To get NATO back into "pre-unification-shape" a new common interest must be found to fill the gap the disappearance of a threat has left<sup>26</sup>. Indeed, the transition of NATO since German unification has been both enormous in terms of speed and

depth. The Alliance has shifted from confrontation to cooperation with the former Warsaw Pact countries, the introduction of humanitarian missions and support of UN or CSCE are significant examples of this structural overhaul. All this however is not enough to fill the "interest gap." Military cooperation with the former Warsaw Pact countries is important, but more decisive for a peaceful transition of the East is needed economic cooperation. Support of the UN or CSCE is a complicated and not very attractive matter for Germany. Since unification, Bonn has tried without much success to come to grips with the use of the German Armed Forces outside NATO. A lengthy political debate over changing the constitution to allow peacekeeping or even peacemaking missions under the command or umbrella of the United Nation has not yet led to a solution. Even if the debate would end unexpectedly soon, the practical approach to these missions would be slow and very cautious. The structural changes NATO has decided reflect mainly the drawdown of forces in Europe and will in no way stop the discussion about the purpose of NATO.

To sum up, the unification of Germany and its subsequent events had a major impact on NATO. Three factors will have a long lasting influence on the Alliance. First, the United States and Germany no longer share a number one reason to keep NATO. Second, the changes and adaptations within the Alliance have not stabilized it to a pre-unification status. Third, the U.S. reductions in Europe and the German handling of its policy

towards the WEU and Eurocorps have further undermined the Alliance.

German Unification has not only caused NATO to change, it has also put significant time pressure on finding acceptable solutions in other areas. To dampen the fear of its neighbors, united Germany is pressing forward with initiatives for greater European integration. This effort has been supported by France and some other European countries. Their aim is to neutralize Germany's influence by establishing a greater Europe.

France pursues European integration to diminish Germany's power in conjunction with another longtime goal: to reduce U.S. influence in European affairs<sup>28</sup>. The policy of de Gaulle had positioned it into the trap by leaving NATO's military integrated command structure. France lost considerable influence in the Alliance from which it has never recovered. It was thus unable to cut back the U.S. position in NATO and to strengthen European influence in the Alliance. European unification and U.S. military reductions have now provided Paris with an opportunity to escape that situation. French officials point regularly to the reducing U.S. military presence and comment that "the United States are not willing to exert its leadership in Europe<sup>29</sup>" or even more simple that "the big brother is a thing of the past<sup>30</sup>".

The search for more European military unity led automatically to the revitalization of the WEU. Created as an European defense organization after the Second World War, it had failed to become fully instutionalized let alone politically

meaningful. Since then, it existed nearly unnoticed besides NATO, because nobody even took notice to make the decision to abandon it. Now all of a sudden, it has all the necessary attractions to become revitalized and to act as conduit to develop the European defense initiative. A charta and organization already exist which made it unnecessary to start lengthy negotiations. It had coexisted with NATO for decades, so it would obviously not hurt the Alliance. Membership is exclusively Europeans, so its clearly a European initiative. But all of a sudden, Germany and the United States are in an unfavourable situation. The United States realized that it was difficult to argue against more European defense effort in the framework of an organization which had existed for years besides NATO<sup>31</sup>. However the fact remains that it has no voice in the WEU.

Germany is trapped in its own uncomfortable Mittellage (middle position) between Europe and the United States. Its relationship to France is key to European integration and its relationship to the United States is key for its ultimate security<sup>32</sup>. Germany is constantly balancing both positions and trying to bridge the difficult differences between Paris and Washington<sup>33</sup>. The creation of the Eurokorps and the North Atlantic Cooperation Council demonstrate that this is difficult and very likely to upset one of its partners.

The Eurocorps started as an initiative between Federal Chancellor Kohl and President Mitterrand in October 1991. Both wanted to strengthen European integration, however, with different

motivations as outlined before. This initiative was a complete surprise for the rest of the NATO allies. The United States realized quickly that Germany would have to commit forces already assigned to NATO if the corps should get any military significance and turned publicly against the initiative34. Germany's intended was to draw France closer to the Alliance military integration structures by making the Corps available to NATO. Besides that the Eurocorps would give France the raison d'etre to continue to station troops in Germany after 1994 when the stationing based on post World War II status will end. The initiative was not very well presented to the Alliance and caused considerable tensions between Germany and the United Sates. These tensions finally eased off when it became clear that the corps would be available for NATO for defense under OPCON to SACEUR35. NATO officially endorsed the project in December 1992 and other countries are now interested in joining the project.

U.S. - German initiative to create a platform for dialogue between NATO and the former Warsaw Pact countries. The idea was opposed by France with the argument that NATO should limit itself to its military mission only 16. In the final analysis the idea won the support of all other Allies and was finally implemented after France gave up its isolated position 17. The NACC is now an established institution which allows the countries of eastern Europe the ability to discuss normally cooperation with the Alliance. For some of them, one might think of Poland and Hungary

for example, it could be a prestage for a full membership.

It is not likely that the struggle about dominance in NATO will go away. Unification and the return of full sovereignty to Germany makes Bonn the dominant player vis a vis France.

Supported by the United States both of the above issues and Germany's position were decided in favor of the Alliance. To repeat this in future will require both a strong U.S. position in NATO and a closely coordinated policy as regards Germany. For the United States the real danger of the WEU is that it might change from being an European pillar in NATO to an alternative of the Alliance. In contrast to NATO all of the WEU members share the main motive for the union, that is, European integration. German Unification is likely to keep the pressure on further progress toward Europe. That limits the time for NATO to find its new identity.

German Unification had a major impact on the security structures of Western Europe. For the United States the major consequences are threefold. First, it has encouraged the revitalization of the WEU as a European defense organization without direct U.S. influence. Second, this has initiated a challenge to U.S. influence in NATO. Third, there is a possibility that the European defense initiative might develop into an alternative to NATO. The same pressure Germany's unification put on NATO was put on the EC. West Germany had already the strongest economy in the EC, and East Germany had the strongest and most advanced economy in the Eastern Block.

Unification means a larger Germany with more people, more area and, eventually a much larger economy. The only way to balance united Germany is through greater European integration. For the EC "the main problem was how to build Europe in time for Germany<sup>38</sup>." There was a fear that as Germany got bigger after 1990, the combination of West German money and East German ties to the former communist countries offered new economic possibilities for Germany which might make it less dependent on the EC.

Germany, for its part was also interested in speeding up European integration, mainly to neutralize any uneasy feelings about unification. The rush towards a more integrated Europe led to the summit of Maastricht. The pressure for some type of accomplishment brought a desperate try to attempt a huge step toward a united Europe. It was overlooked at the time, however, that the prerequisites like synchronized economies were simply not there and that it is crucial for success to prepare the public for important decisions like a common currency. Realities forced the EC to slow the pace and even to accept some setbacks. The turmoil caused the EC to concentrate on internal matters when global events required more attention. The GATT talks stalled and the transition of the economies of the former communist countries were not supported in the way they might have hoped. It is not likely that these problems can be solved in a short time. The economic turmoil may even require a review of Maastricht. This will certainly hamper the EC as it attempts to play a bigger role in world affairs. Hence, the EC may probably be a less predictable and reliable negotiation partner due to increased problems of internal coordination.

The United States has so far no fundamental problems in dealing with the EC. Bilateral trade is almost balanced<sup>39</sup>.

Although there are differences especially on farm subsidies, the general idea of free trade is agreed and supported. However, the United States has no voice in the EC and can exert only indirect influence over bilateral relations with member states. Germany is considered the most valuable ally in terms of support of U.S. position and its own power base in the EC. Increasing European integration, however, will lead to a devaluation of that role. As is the case with all other member states, Germany will gradually loose its ability to conduct independent policy especially in the economic field. The rank order of interests will most likely put EC interests as number two after national interest. The decreasing ability and national will to support an "outsider-position" are likely to affect the United States in the future.

Like in the defense arena, German unification was an event of the first magnitude for the EC. For the United States, the consequences in dealing with the community are threefold. First, the accelerated pace towards unification triggered a crisis which will decrease the EC's ability to assist the U.S. in solving worldwide problems. Second, the pressure for achieving greater integration will remain, thereby leaving the United States with less options to influence the EC. Third, the value of

Germany as an ally to support U.S. positions in the EC will decrease.

Some of the problems the EC faces in the economic field are caused by German's monetary policy following unification. The condition of the East German economy was grossly overestimated. Low unemployment rates and a strong position in the communist world gave a false impression that the way to economic unity would be relatively easy and short. Internal pressures led to an exchange rate of the East-Mark which was far too high compared with its inherent economic value. When the bill for unification was presented, upcoming elections prevented Bonn's ability to raise taxes to pay for it. Germany instead started to borrow money to balanced the budget, which caused the Bundesbank (Federal Bank) to raise interest rates to fight inflation. This had severe consequences not only in Europe40, but also in the United States. It caused the dollar to plunge to an all-time low and slowed down its recovery from a long term recession. For more than two years Germany withstood international pressure including the United States to lower interest rates. This was seen as the first time that Germany relied on its greater strength to pursue a national interest at the cost of other nations and allies. Indeed, the economic arena is most likely one of the mayor troublespots in U.S.-German relations. Although both nations agree on basic issues, such as free trade and free market economy, future relations will be difficult once national interests are concerned. For the public, especially in the United States, it is hard to understand that an ally which owes the United States so much can also be a tough competitor. However, conditions to settle any disagreement by negotiations are not totally pessimistic. The bilateral trade balance is much more favorable than with Japan. Both countries' markets are equal accessible and the investment ratio is about even. It should be possible for both nations to control economic competition to a degree that prevents negative spillovers in the overall relations.

Germany and the United States will, nevertheless have to adapt relations to post-unification realities. A first attempt was President Bush's offer to Germany to be a "partner in leadership." This offer certainly reflects the fact that Germany has increased its physical size, population and economy. But that does not automatically mean that Germany can fulfill the expectations behind such a role. It also requires from the United States to define the end, means and ways for such a leadership. The outcome of the U.S. elections in 1992 clearly show that the American people support a "American first" policy. Depending on the recovery of economy and job market, the new administration might be able to reshift the focus in the second half of President Clintons presidency to international matters again. The central task then is to define Americas place in a multipolar world and to rankorder its priorities.

For Germany it is good that there is some time left, because such an intervening period might help to solve its own

indecisiveness about its own role in the international arena. The first steps have been made. Germany has asked for a permanent seat in the UN security council and has started to engage worldwide in humanitarian aid in support of UN efforts. The central question, however, how to employ Gerran Armed Forces outside NATO in peacekeeping or peacemaking missions, is yet to be decided. This debate has raged for almost two years now and progress is slow. It will take some time before Germany will come to grips with its new status of a fully sovereign country and learn to use its power to proceed to create a national strategy.

The ongoing events however do not permit officials to take time out for internal decision-making. A striking example where U.S-German leadership would be of great benefit is in the transition of the former East Block countries. Both have a vested interest in stability and progress in that region. A combined effort on the part of both countries would mobilize the best worldwide available resources. Instead, help has been widely uncoordinated and useless debate has occurred over who contributed more. To be successful, the idea of partners in leadership requires more emphasis and coordination from both sides and a sense for good opportunities to make it happen.

This is the case for the overall U.S.- German relationship. German unification requires both sides to exercise more effort and express new ideas. It requires also adaptations in U.S. security strategy. Concerning NATO, the United States must take into account the inevitable decline of the Alliance's

importance. The future of NATO will heavily depend on U.S. support for the new strategy and its contribution for a new military structure, especially in Germany. Continued European integration is of mayor interest for the European NATO partners, above all for Germany. Therefore, European integration must find its place in NATO, for example, by further integrating the WEU into the Alliance. Active U.S. support of European integration would better enable Washington to participate in the process of shaping the future of Europe. Part of this participation could be a treaty to regulate cooperation<sup>41</sup> between the United States and the European Community. This would also obviate the possibility that Germany needs to choose between Europe and the United States, a very uncomfortable situation that could damage US/GE relations.

This is equally true for the U.S. relationship with France, the key ally for Cermany in achieving a united Europe. A U.S. policy that is at odds with France might force Germany to choose between two friends. Former President Bush's orfer to Germany to be a partner in leadership should be maintained by future administrations. It is an incentive for Germany to find its new role and a positive catalyst for the ongoing internal discussion. In the economic field both partners have to work constantly to keep tough competition fair and to prevent negative spillovers, which should be manageable when relations have a sound and broad basis.

For over forty years U.S.-German relations have been a

success story. This should motivate both partners to devote the necessary attention and create constructive ideas, despite internal problems to give the friendship a good start into the new millennium.

#### ENDNOTES

- 1.Adrian Hyde-Price, <u>European Security beyond the Cold War</u> (Worchester: Sage Publications Ltd, 1991), Introduction
- 2.Alexander Moens, "American Diplomacy and German Unification," <u>Survival</u> no.6, (November/December 1991) Volume XXXIII: 531
- 3.Renata Fritsch-Bournazel, <u>Europe and German Unification</u> (New York/Oxford: St. Martins Press), 5.
- 4.Deutsches Auswaertiges Amt, <u>Deutsche Aussenpolitik</u>
  1990/91 (Bonn: Auswaertiges Amt Referat Oeffentlichkeitsarbeit,
  1991), 167
  Source provides complete text (German Version) and facsimile of signature page.
- 5. Harenberg Lexikon-Verlag, <u>Aktuell '93 Das Lexikon der Gegenwart</u> (Dortmund: Harenberg Lexikon-Verlag, 1992), 536 Change of prime Ministers June 1991 Michel Rocard to Edith Cresson and April 1992 Edith Cresson to Pierre Beregovoy
- 6.Renata Fritsch-Bournazel, 81.

  Speech by President Bush to the NATO council, 4 December 1989:"... we all have supported German reunification for four decades."
- 7.NATO Information Service, <u>The North Atlantic Treaty</u>
  Organization Facts and Figures (Brussels: NATO Information
  Service, 1981), 288-290
- 8.Renata Fritsch-Bournazel, 81. Quote and four points taken out of speech by President Bush to the NATO council,4 December 1989
- 9.Alexander Moens, Moens article gives a detailed description of U.S. policy during the process of German Unification
- 10.Lanking Xiang, "Is Germany in the West or in Europe?" Orbis=USA no.36, 1992: 417
  - 11. Ibid., 416
  - 12. Renata Fritsch-Bournazel, 99.
- 13.Landesverteidigungsakademie Wien, <u>Militaerstrategisches</u>
  <u>Umwelt- und Konfliktbild(Synopse)</u> (Wien:Landesverteidigungsakademie des Bundesministeriums fuer Landesverteidigung, 1992)
  Detailed analysis from the viewpoint of a neutral country with

main emphasis on military matters

- 14. Christian Tuschhoff. "Neue Sicherheit mit Deutschland," Interview by Oliver Schmidt. <u>Sueddeutsche Zeitung</u>, 2 December 1992
  Tuschhoff sees a direct proportionality between U.S. military presence in Europe and U.S. political influence in the allience.
- 15. The White House. <u>National Security Strategy of the United States</u> (Washington: U.S. Government Printing Office Superintendent of Documents, January 1993), 7.
- 16. The White House. <u>National Security Strategy of the United States</u> (Washington: U.S. Government Printing Office Superintendent of Documents, 1991), 6.
- 17. Der Bundesminister der Verteidigung, "Wandel und Aufbruch Bundeswehr-Streitkraefte der Einheit" -33.

  Kommandeurtagung der Bundeswehr in Leipzig- 12. bis 14. Mai 1992 (Bonn: Informationen zur Sicherheitspolitik, Mai 1992), 4.
- 18. Peter Tarnoff, "America's new special Relationships," Foreign Affairs, Summer 1990, 73.
- 19. Ole Waever, "Three competing Europes: German, French, Russian," <u>International Affairs</u>, no. 3 (1990): 488. Weaver characterizes NATO as "the main ticket to Europe" for the United States.
- 20. Charles W. Corddry, "Another War won, an Army Regroups," Army, vol. 42, no.5, May 1992, 24-31 The article quotes General Galvin, at that time Supreme Allied Commander Europe and commander of all U.S. forces there on U.S. commitment in Europe: A token force won't do. There's too much involved in this. We wouldn't have the kind of influence we have today in Europe if that what we were talking about were a token. There must be a viable military capability, a competent force. (page 25) General Saint, at that time commander in chief U.S. Army Europe is quoted to the same subject: If you want to have a say-so as a partner in what happens in Europe, which is of direct importance to the United States, then you'd better stay. If you're not there, then you don't count. (page 30) This believ is not only shared by soldiers. Donald Snow phrases in his book: The question of commitment in the NATO sense, however, tends to be framed in terms of physical commitment

measured in Dollars, manpower, and equipment, ...

Donald M. Snow, National Security, Enduring Problems in a

Changing Defense Environment (New York: St. Martins Press 1991),
150.

- 21. John R. Galvin, "Still vital to U.S. Security," Defense, July/August 1991, 2-10.
- 22. Thomas-Durell Young, "The "Normalization" of the Federal Republic of Germany's Defense Structures," <u>Strategic Studies Institute U.S. Army War College</u>, 1 September 1992, V Young states in his summary: ... the retention of allied forces in the federal republic remains a key objective of Bonn.
- 23. Rolf Clement, "Gedankenspiele, wie haelt es Clinton mit der US-Aussenpolitik," Loval, 1/93, 14.
- 24. Clyde Farnsworth, "Canadian Troops to Pull Out of Europe by '94," The New York Times, 27 February 1992, sec. A9, p. 4
- 25. Richard N. Perle, "An American View: NATO's Future, Threats," The Officer, January 1993: 31.
- 26. Dirk Sommer, "Im Dilemma, Die Welt brennt an vielen Enden, doch das westliche Buendnis weiss nicht recht, ob und wie es darauf ragieren soll-Eindruecke von der Herbsttagung der NATO-Verteidigungsminister," Wehrausbildung, 1 Feb./Maerz 1993, 4-6. The article analyses the problems NATO has in search for a new identity and in facing crisis situations like in the former Jugoslawia.
- 27. Wolfram von Raven, "Die Stufenpyramide der Kommandostruktur, eine komplizierte Hierarchie der Einfluesse auf die NATO," <u>Europaeische Sicherheit</u>, no. 7 1992, 383-386. The article describes NATO's new command structures and provides background analysis.
- 28. Heinz Schulte, "Deciphering the Franco-German Partnership," <u>The Wall Street Journal</u>, 1 September 1992: 6.
- 29. Francois Heisbourg, "A French View: Developing a European Identity," The Officer, January 1993: 29.
  - 30. Ibid., 30.
- 31. Karl Feldmeyer, "Die sicherheitspolitische Rolle Amerikas nach dem Ende des Ost-West-Konflikts," <u>Der Mittler Brief Informationsdienst zur Sicherheitspolitik</u>, (Bonn: Verlag E.S. Mittler & Sohn, 7. Jahrgang no. 2, 2. Quartal 1992), 6. The United States have up to now always supported a western European defense identity with the aim of an increased burdensharing by the European nations.
- 32. William T. Johnsen, Thomas Durell-Young, <u>Franco-German Security Accommodation: Illusion of Agreement</u>, Strategic Studies Institute U.S. Army War College (Carlisle: Strategic Studies

- Institute, 11 January 1993)
  The study describes in detail the problematic situation for Germany and gives recommendation for U.S. policy.
- 33. Xiang, Lanxin. "Is Germany in the West or in Central Europe," Orbis, no. 36 1992, 420. Xiang suggests for a viable U.S. strategy even that: "...Washington must encourage Franco-German security cooperation by devolving its own leadership of NATO to Europe."
- 34. Andrew Denison, <u>Die Haltung der USA gegenueber dem "Euro-Korps": Akzeptanz oder Ablehnung?</u>, Bonn: Friedrich Ebert Stiftung no. 50 October 1992, 4. Besides the perceived disadvantages for NATO, the United States were again faced with the fact, that each step towards greater European cooperation means a loss of U.S. influence in the region.
- 35. Karl Feldmeyer, "NATO will Grundlagen fuer friedenswahrende Einsaetze erarbeiten," Frankfurter Allgemeine Zeitung, 12 December 1992
- 36. Alexander Gerry, "With Cold War Over and the USSR No More, NATO Is in A Difficult Transition Phase," The Officer, January 1993, 27.
- 37. Frederick Kempe, "U.S., Bonn Clash Over Pact With France," The Wall Street Journal, 27 May 92: A9
  - 38. Ole Waever, 477.
- 39.Paul Krugmann, <u>The Age of Diminished Expectations</u> (Cambridge: The MIT Press, 1992), 118. Although the U.S. trade with Germany is not balanced, this is not seen as a result of trade barriers or a closed market.
- 40.Marc Levinson, "Europe in Pieces," Newsweek September28, 1992: 24-26.
  The imbalances in the monetary system put enormous pressure on some currencies like the British Pound and caused several countries to leave Europe's exchange-rate system.
- 41. Frankfurter Allgemeine Zeitung, 16. November 1992
  The idea of a overall treaty between the United States and the EC is favoured in Bonn and was suggested publicly by Chancellor Kohl.

### Bibliography

- Clement, Rolf. "Gedankenspiele, wie haelt es Clinton mit der U.S.-Aussenpolitik?" Loyal 1/93: 14-15.
- Corddry, Charles. "Another War Won, an Army Regroups." Army, May 1992, 24-31.
- Deutsches Auswaertiges Amt. <u>Deutsche Aussenpolitik 1990/91</u>. Bonn: Auswaertiges Amt Referat Oeffentlichkeitsarbeit, 1991
- Denison, Andrew. <u>Die Haltung der USA gegenueber dem "Euro-Korps":</u>
  <u>Akzeptanz oder Ablehnung?</u> Bonn: Friedrich Ebert Stiftung
  <u>Kurzpapier der Abteilung Aussenpolitikforschung</u> Nr. 50,
  Oktober 1992
- Der Bundesminister der Verteidigung. Wandel und Aufbruch
  Bundeswehr-Streitkraefte der Einheit-33. Kommandeurtagung
  der Bundeswehr in Leipzig-12. bis 14. Mai 1992. Bonn:
  Informations und Pressestab Referat Oeffentlichkeitsarbeit,
  Mai 1992
- Fritsch-Bournazel, Renata. <u>Europe and German Unification</u>. New York/Oxford: Berg Publishers, Inc., 1992
- Farnsworth, Clyde. "Canadian Troops to Pull Out of Europe by '94"

  The New York Times 27. February 1992: A9.
- Feldmeyer, Karl. "Die sicherheitspolitische Rolle Amerikas nach dem Ende des Ost-West-Konflikts." <u>Der Mittler Brief</u>, Bonn: Verlag E.S. Mittler & Sohn, 7. Jahrgang no. 2, 2. Quartal 1992
- . "Nato will Grundlagen fuer friedenswahrende Einsaetze erarbeiten." <u>Frankfurter Allgemeine Zeitung</u> 12 December 1992
- Galvin, John. "Still vital to U.S. Security," <u>Defense</u> July/August 91: 2-10
- Gerry, Alexander. "With Cold War Over and the USSR No More, NATO Is in A Difficult Transition Phase." The Officer January 1993
- Durell-Young, Thomas. "The "Normalization" of the Federal Republic of Germany's Defense Structures." <u>Strategic</u> <u>Studies Institute U.S. Army War College</u> 1 September 1992
- Harenberg Lexikon-Verlag. <u>Aktuell '93 Das Lexikon der</u> <u>Gegenwart</u>. Dortmund: Harenberg Lexikon-Verlag, 1992

- Heisbourg, Francois. "A French View: Developing a European Identity." The Officer, January 1992: 29-30
- Hyde-Price, Arian. <u>European Security beyond the Cold War</u>. Worcester: Sage Publications Ltd, 1991
- Johnsen, William. Durell-Young Thomas. "Franco-German Security Accommodation: Illusion of Agreement." <u>Strategic Studies</u>
  <u>Institute U.S. Army War College</u> 11 January 1993
- Kempe, Frederick. "U.S., Bonn Clash Over Pact With France." The Wall Street Journal 27 May 1992: A9
- Moens, Alexander. " American Diplomacy and German Unification "
  Survival no. 6, (November/December 1991) Volume XXXIII
- NATO Information Service. <u>The North Atlantic Treaty Organisation</u>
  <u>Facts and Figures</u>. Brussels: NATO Information Service, 1981
- Perle, Richard. "An American View: NATO's Future, Threats." The Officer, January 1993: 30-33.
- Raven, Wolfgang von. "Die Stufenpyramide der Kommandostruktur eine komplizierte Hierarchie der Einfluesse auf die NATO," <u>Europaeische Sicherheit</u> 7/92: 383-386
- Schulte, Heinz. "Deciphering the Franco-German Partnership." The Wall Street Journal 1 September 1992: 6
- Snow, Donald. <u>National Security, Enduring Problems in a Changing Defense Environment</u>. New York: St. Martins Press, 1991
- Sommer, Dirk. "Im Dilemma, die Welt brennt an vielen Enden, doch das westliche Buendnis weiss nicht recht, ob und wie es darauf reagieren soll-Eindruecke von der Herbsttagung der NATO-Verteidigungsminister," Wehrausbildung 1/1991: 4-6
- Tarnoff, Peter. "America's New Special Relationship," Foreign
  Affairs summer 1990: 67-80
- Tuschhoff, Christian. "Neue Sicherheit mit Deutschland" Interview by Oliver Schmidt. <u>Sueddeutsche Zeitung</u> 2 December 1992
- The White House. <u>National Security Strategy of the United States</u>
  Washington: U.S. Government Printing Office, August 1991
- The White House. <u>National Security Strategy of the United States</u>
  Washington: U.S. Government Printing Office, January 1993
- Waever, Ole. "Three competing Euyropes: German, French, Russian,"
  International Affairs 66, 3 1990: 477-493